

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

\*\*\*\*\* 500.2409 THIS SECTION IS REPEALED BY ACT 101 OF 2016 EFFECTIVE AUGUST 1, 2016 \*\*\*\*\*

**500.2409 Public hearing and report required; condition; basis of report; findings; certification; contested hearing; final report and certification; consideration by commissioner; forwarding reports and certification to governor, clerk of the house, secretary of the senate, and legislative committee members; approval or disapproval of certification by legislature; concurrent resolution; vote.**

Sec. 2409. (1) By May 15, 2003 and by May 15 annually thereafter, the commissioner shall make a determination as to whether a reasonable degree of competition in the worker's compensation insurance market exists on a statewide basis. If the commissioner determines that a reasonable degree of competition in the worker's compensation insurance market does not exist on a statewide basis, the commissioner shall hold a public hearing and shall issue a report delineating specific classifications and kinds or types of insurance, if any, where competition does not exist. The report shall be based on relevant economic tests, including but not limited to those in subsection (3). The findings in the report shall not be based on any single measure of competition, but appropriate weight shall be given to all measures of competition. Any person who disagrees with the report and findings of the commissioner may request a contested hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, not later than 60 days after issuance of the report under this subsection.

(2) If the results of the report issued under subsection (1) are disputed or if the commissioner determines that circumstances that the report was based on have changed, the commissioner shall issue a supplemental report to the report under subsection (1) which shall include a certification of whether or not a reasonable degree of competition exists in the worker's compensation insurance market. The supplemental report and certification shall be issued not later than November 15 immediately following the release of the report under subsection (1) that this report supplements and shall be supported by substantial evidence.

(3) All of the following shall be considered by the commissioner for purposes of subsections (1) and (2):

(a) The extent to which any insurer controls all or a portion of the worker's compensation insurance market. In making a determination under this subdivision, the commissioner shall use all insurers in this state, including self-insurers, group self-insurers as provided in chapter 65, and insurers writing risks under the placement facility created in chapter 23 as a base for calculating market share.

(b) Whether the total number of companies writing worker's compensation insurance in this state is sufficient to provide multiple options to employers.

(c) The disparity among worker's compensation insurance rates and classifications to the extent that such classifications result in rate differentials.

(d) The availability of worker's compensation insurance to employers in all geographic areas and all types of business.

(e) The residual market share.

(f) The overall rate level which is not excessive, inadequate, or unfairly discriminatory.

(g) Any other factors the commissioner considers relevant.

(4) The reports and certifications required under subsections (1) and (2) shall be forwarded to the governor, the clerk of the house, the secretary of the senate, all the members of the house of representatives standing committees on insurance and labor issues, and all the members of the senate standing committees on commerce and labor issues.

(5) Not later than 90 days after receipt of the final report and final certification, the legislature, by concurrent resolution, shall approve or disapprove the certification by a majority roll-call vote in each house. If the certification is approved, the commissioner shall proceed under section 2409a.

**History:** Add. 1982, Act 8, Eff. Jan. 1, 1983;—Am. 1993, Act 200, Eff. Dec. 28, 1994;—Am. 2002, Act 621, Imd. Eff. Dec. 23, 2002

**Compiler's note:** Section 3 of Act 200 of 1993 provides as follows:

"Section 3. This amendatory act shall not take effect unless the state administrative board certifies in writing to the secretary of state by December 31, 1994 that an agreement for the transfer of all or substantially all of the assets and the assumption of all or substantially all of the liabilities of the state accident fund has been consummated with a permitted transferee pursuant to the requirements of section 701a of the worker's disability compensation act of 1969, Act No. 317 of the Public Acts of 1969, being section 418.701a of the Michigan Compiled Laws."

**Popular name:** Act 218